

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER REDFORD
COMMISSIONER SMITH
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL**

**FROM: WELDON STUTZMAN
DEPUTY ATTORNEY GENERAL**

DATE: JANUARY 7, 2014

**SUBJECT: IDAHO POWER'S APPLICATION FOR COMMISSION ACCEPTANCE
OR REJECTION OF AN ENERGY SALES AGREEMENT WITH
BANNOCK COUNTY, IDAHO, CASE NO. IPC-E-13-24**

On December 5, 2013, Idaho Power Company filed an Application requesting Commission acceptance or rejection of an Energy Sales Agreement between the Company and Bannock County, Idaho. Under the Agreement, Bannock County would sell electric energy generated by the Bannock County Solid Waste Department Landfill Gas to Energy Project to the Company.

Bannock County proposes to operate a 3.2 megawatt (MW) landfill gas to energy plant located near Pocatello, Idaho. The County plans to initially install a 1.6 MW generation unit and may install another 1.6 MW generation unit within 60 months of the operation date of the Agreement. The generating facility will be a qualifying facility under the applicable provisions of PURPA. The Agreement provides for a 20-year term using non-levelized "other" published avoided cost rates currently established by the Commission in Order No. 32817 for energy deliveries of less than 10 aMW. The Agreement was signed by Bannock County on November 5, 2013, and was subsequently signed by Idaho Power on November 13, 2013. The scheduled operation date for the project is May 1, 2014.

On January 3, 2014, Idaho Power filed three replacement pages for the Agreement, along with a letter signed by the Bannock County Commissioners approving the replacement

pages. The new pages replace Appendix E to the Agreement containing the non-levelized energy prices initially stated in the Agreement.

Idaho Power requests that its Application be processed by Modified Procedure pursuant to Commission Rules of Procedure 201-204. IDAPA 31.01.01.201-204. Staff recommends the Commission issue a Notice of Application and Notice of Modified Procedure, providing a 21-day comment period to process Idaho Power's Application.

COMMISSION DECISION

Should the Commission issue a Notice of Application and Notice of Modified Procedure to process Idaho Power's Application for approval or rejection of a 20-year Energy Sales Agreement between Idaho Power and Bannock County, Idaho?

A handwritten signature in black ink, appearing to read 'W. B. Stutzman', is written over a horizontal line.

Weldon B. Stutzman
Deputy Attorney General

bls/M:IPC-E-13-24_ws